ASX/NZX Release

AMPOL

27 April 2023

1Q 2023 TRADING UPDATE

Key points

- Unaudited Group RCOP EBIT of $345.4 million, up 82 per cent[1]
- Group total fuel sales volume up[2] 50 per cent with Australian fuel sales volume growing by 14 per cent, the addition of Z Energy sales volume and beneficial timing of international third-party spot sales
- Lytton Refiner Margin (LRM)[3] of US$14.90 per barrel for the first quarter, remained above historical levels
- Repair to slide valve at the Lytton refinery is on track

	1Q 2023	1Q 2022	Variance (%)
LRM	US$14.90/bbl	US$10.59/bbl	41%
Refinery production	1,490 ML	1,413 ML	5.5%
Convenience Retail fuel sales volume	973 ML	946 ML	2.8%/5.4% LFL[4]
Australian wholesale sales volume	2,746 ML	2,305 ML	19%
Subtotal Australian fuel sales volume	3,718 ML	3,251 ML	14%
International sales volume	2,087 ML	1,335 ML	56%
Z Energy sales volume	1,091 ML	(Pre-acquisition 911 ML)[5]	N/A
Total sales volume (Ampol Group)	6,897 ML	4,586 ML	50%

Ampol Limited (ASX/NZX:ALD) today provides an update on trading conditions and operational performance for the first quarter of its 2023 financial year.

The unaudited Group RCOP EBIT for the first quarter of 2023 was $345.4 million, up 82 per cent on the prior corresponding period, representing Ampol's second strongest quarterly result in its history and reflecting continued strong performance across all areas of the business.

Refined product markets were strong, with LRM for the first quarter of 2023 reaching US$14.90 per barrel. This compares favourably to the US$10.59 per barrel realised in the first quarter of 2022. Since the end of March 2023 Singapore refined product cracks across all products have softened, reflecting short-term risk to global demand and the potential for higher Chinese exports.

Refinery production for the quarter was 1,490 ML with only marginal impact from the temporary outage of the Fluidised Catalytic Cracking Unit (FCCU) announced on 27 March 2023. The repair to a slide valve of the FCCU is on schedule. There has been no disruption to customers.

Fuels and Infrastructure (Ex-Lytton) delivered another strong quarterly earnings[1] result. Australian fuel sales volume grew by 14 per cent compared to the prior corresponding period with growth across petrol, diesel and jet due to increased mobility post COVID lockdowns, the return of net migration and the ongoing recovery in the aviation sector. In addition, Ampol has made good progress in reducing its exposure to elevated quality premiums and product freight as customer contracts have progressively been renewed. International sales volume for the quarter increased by 56 per cent due to the benefit of the timing of third-party spot sales.

Convenience Retail had a successful quarter as customers continued to respond positively to the Ampol brand. Headline retail fuel sales volume increased by 2.8 per cent, 5.4 per cent on like for like basis, and average retail fuel margins improved. Shop also continued to perform well with shop sales up 0.8 per cent on a like for like basis and further improvement in shop gross margin (post waste and shrink), reflecting the ongoing benefits from the retail shop strategy.

2023 will be the first full year of contribution from Z Energy. During the first quarter, New Zealand was impacted by extreme weather events with heavy flooding in Auckland during January followed by the impacts of Cyclone Gabrielle on the east coast of the North Island. Z Energy saw improved trading in the month of March as operating conditions stabilised. Fuel sales volume for the quarter was up 20 per cent on the prior corresponding period, which was COVID affected, and consistent with the growth in market share[6] to 46 per cent.

Authorised for release by: the Board of Ampol Limited.

Notes

1. Compared to Replacement Cost Operating Profit Earnings Before Interest and Tax in the first quarter 2022.

2. Compared to first quarter 2022.

3. Lytton Refiner Margin (LRM) represents the difference between the market value of importing a standard Lytton Refinery basket of products and the cost of importing the crude oil required to make that product basket.

   The LRM is calculated in the following manner:

   Weighted Singapore product prices (for a standard Lytton Refinery basket of products)

   Less: Reference crude price (the Ampol reference crude marker is Dated Brent)
   Equals: Singapore Weighted Average Margin (Dated Brent basis)
   Plus: Product quality premium
   Crude discount
   Product freight
   Less: Crude & Feedstock premium
   Crude freight
   Other related hydrocarbon costs
   Yield Loss
   Equals: Lytton Refiner Margin

   The Lytton Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate.

4. Like for like basis adjusting for network changes.

5. Z Energy sales volume for the period of 1Q 2022 was prior to Ampol acquiring Z Energy. Volume for this period is provided for comparison purposes only.

6. Market share for ground fuels based on New Zealand's Ministry of Business Industry and Employment consumption data for the December 2022 quarter.

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